



Department of Human Resources  
311 West Saratoga Street  
Baltimore MD 21201

Control Number: 17-14

## FIA ACTION TRANSMITTAL

Effective Date: Immediately Upon Receipt

Issuance Date: February 22, 2017

**TO:** DIRECTORS, FSET-PARTICIPATING LOCAL DEPARTMENTS OF  
SOCIAL SERVICES,  
ASSISTANT DIRECTORS FOR FAMILY INVESTMENT, ASSISTANT  
DIRECTORS FOR LOCAL GENERAL ADMINISTRATION

**FROM:** TRACEY PALIATH, EXECUTIVE DIRECTOR

**RE:** PARTICIPANT REIMBURSEMENT PROCESS

**PROGRAM AFFECTED:** FOOD SUPPLEMENT PROGRAM (FSP)  
FOOD SUPPLEMENT EMPLOYMENT & TRAINING (FSET)  
PROGRAM

**ORIGINATING OFFICE:** BUREAU OF WORKFORCE DEVELOPMENT

### **SUMMARY**

This Action Transmittal provides the process that a local department of social services (LDSS) must follow if it participates in the implementation of a Food Supplement Employment & Training (FSET) program to ensure proper tracking and auditing of participant reimbursements. The Bureau of Workforce Development will be contacting LDSS FSET Program Managers to schedule follow-up training related to this Action Transmittal shortly.

**Note:** LDSSs that participate in FSET are 100% funded through SNAP E&T. Third Party FSET Partners are funded differently. This AT, therefore, does not pertain to Third Party FSET Partners.

### **BACKGROUND**

The Family Investment Administration (FIA) can claim specific reimbursements of up to 50% of an expenditure for specific participant expenses from the Food and Nutrition Service (FNS). One of the types of 50% reimbursements that FIA can claim is for participant reimbursements in the FSET program. Note, however, federal regulations

only allow us to reimburse FSET participants for expenses that are **reasonable, necessary and directly** related to participation in FSET work component(s).

To view the FSET work components, refer to FIA's current FSET annual plan available on FIPNet. <http://fipnet1.dhr/PLANS/MD%202017%20SNAP-ET-Plan%20FINAL.pdf>

We strongly encourage the LDSSs to make purchases on behalf of FSET participants while following Actions #4 and #5 below. In doing so, potential fiscal, reimbursement and auditing issues are greatly reduced; the number of purchase records and tracking are minimized this way.

LDSS can reimburse participants directly, however, if the purchases are needed immediately. An example of an immediate need that merits direct reimbursement to a program participant would be if a FSET participant purchases items such as tools, uniforms, and/or books that are needed immediately in order to participate in a FSET class or training program. If this occurs, it is critical that LDSS ensure that purchases are **reasonable, necessary and directly** related to participation in FSET work component(s) and that all proper purchase documentation is collected.

### **ACTION REQUIRED**

LDSS must outline the total estimated dollar value of participant reimbursement expenditures anticipated for the Federal Fiscal Year in the FSET Project Description by July 1<sup>st</sup>, prior to the beginning of a new Federal Fiscal Year (FFY). This enables FIA to accurately track statewide spending of this fund.

For LDSSs implementing a FSET program, either within the LDSS or with a vendor, the steps below **must** be followed to issue participant reimbursements for individuals participating in a FSET program. If a LDSS uses a FSET vendor, the FSET vendor must communicate participant reimbursement needs to the LDSS. The LDSS will then complete the steps listed below on behalf of the FSET vendor.

### **Action Steps if LDSS purchases items on behalf of FSET participants:**

1. LDSS identifies a participant reimbursement need by referring to Attachment 1 that outlines a list of items and descriptions about allowable FSET participant reimbursements. The attached chart is based on allowable participant reimbursements according to guidance in the Food and Nutrition Service (USDA FNS) SNAP E&T Toolkit:  
[http://www.fns.usda.gov/sites/default/files/ET\\_Toolkit\\_2013.pdf](http://www.fns.usda.gov/sites/default/files/ET_Toolkit_2013.pdf).

The issuance of participant reimbursement expenditures must directly relate to an approved FSET Program component(s) and be **necessary** and **reasonable** in order to be allowable.

Participant expenses **may not be**:

- For the purpose of overcoming barriers to participation that make customers exempt from work registration (these costs are unnecessary due to the customer's exemption);
  - Available through another government program or available at no cost to the participant through a private source, e.g., charitable donations (these costs are unnecessary due to availability from another source);
  - For supporting a customer's regular employment unless that employment qualifies for reimbursement under section 4108 of the Food and Nutrition Act of 2008; and
2. In order to determine *allowability* and *availability* of participant reimbursement funds centrally, the LDSS will enter initial participant reimbursement information in a Google document spreadsheet that is shared, statewide (see Attachment 2). Separate accommodations will be made for Montgomery County HHS. Upon entering the information, the LDSS will request DHR Central approval by opening the comment thread on the spreadsheet and assign the request to Erica Kea-Muhammad and Sean Washington of the DHR Bureau of Workforce Development (WFD) team for immediate review. The WFD team will provide **an answer within two business days of the initial request**. Please note on the spreadsheet if the participant need is immediate.
  3. If WFD provides approval, the LDSS can purchase the requested items on behalf of the FSET participant. The LDSS will access these funds by applying the appropriate PCA code to the expenditure. The funding for these purchases will not come out of your 100% FSET allocation, but rather from the 50% reimbursement allocation which is a separate funding source managed centrally.
  4. LDSS that purchases items on behalf of FSET participants must keep all purchase documentation in the FSET participant file electronically in ECMS for a minimum of five years.
  5. As participant reimbursements are formally issued, the LDSS will ensure that all participant reimbursement information is fully updated in the shared, statewide Google document spreadsheet for tracking, spending and auditing purposes. Participant reimbursements can fall into two categories: individual purchases and

bulk purchases. Each LDSS will have specific spreadsheet tabs for both individual and bulk purchases. Please follow the steps below for both categories:

### **Participant Reimbursement Spreadsheet Process (Individual Purchases)**

**Enter:**

- FSET Participant Name
- FSET Participant Client ID #
- Active FSET Participant- (actively receiving FSP within month of participant reimbursement issuance and individual is **NOT on TCA**)
- Type of Participant Reimbursement:
  - o Dependent Care
  - o Education and Supplies
  - o Legal Matters
  - o Medical Services
  - o Transportation
  - o Work clothing and tools
- Amount of participant reimbursement
- Justification of participant reimbursement- directly related to FSET
- Date of Participant Reimbursement Issuance
- PCA Code Assignment:
  - o GB190 (Transportation and Other- non ABAWD)
  - o GB220 (Child Care)
  - o GB250 (Transportation and Other- ABAWD)

**NOTE:** Proper PCA coding is essential as this triggers the reimbursement process at Central with the FNS.
- Vendor Number (if reimbursement for an individual is from a bulk purchase, please enter the vendor # assigned to the bulk purchase on the individual participant reimbursement spreadsheet for reconciliation purposes)

### **Participant Reimbursement Spreadsheet Process (Bulk Purchases)**

Bulk purchases, such as multiple bus passes, must be securely stored. In addition, LDSS must ensure that FSET bulk purchases are not comingled with other items purchases through other funding sources. In addition, LDSS should use the individual spreadsheet to record each issuance of individual items related to that prior bulk purchase.

**Enter:**

- Vendor Name
- Vendor Number assigned to purchase

- Type of Participant Reimbursement:
    - Dependent Care
    - Education and Supplies
    - Legal Matters
    - Medical Services
    - Transportation
    - Work clothing and tools
  - Amount of participant reimbursement
  - Justification of participant reimbursement- directly related to FSET
  - Date of Participant Reimbursement Issuance
  - PCA Code Assignment:
    - GB190 (Transportation and Other- non ABAWD)
    - GB220 (Child Care)
    - GB250 (Transportation and Other- ABAWD)
- NOTE:** Proper PCA coding is essential as this triggers the reimbursement process at Central with the FNS.

#### **Action Steps if FSET participant purchases items on behalf of themselves:**

1. Upon notification of a purchase made by a FSET participant, the LDSS should review the purchase documentation and determine **allowability** for reimbursement based on the criteria outlined in Action Step #1 above.
2. If the LDSS determines that the purchase fits the eligibility criteria for reimbursement, the LDSS will enter the participant reimbursement information in the individual purchase section of the Google document spreadsheet that is shared, statewide (see Attachment 2). See instructions above to complete the individual purchase entry. This will automatically alert the DHR Bureau of Workforce Development (WFD) team for immediate review. The WFD team will provide **an answer within 48 hours of the initial request**. Please note on the spreadsheet that the purchase was already made by the participant.
3. If WFD provides approval, the LDSS can issue reimbursement directly to the participant. The LDSS will access these funds by applying the appropriate PCA code to the expenditure. The funding for these purchases will not come out of your 100% FSET allocation, but rather from the 50% reimbursement allocation which is a separate funding source managed centrally.

If WFD denies the purchase as allowable, the LDSS must communicate this to the FSET participant directly.

4. **LDSS** must keep all purchase documentation in the FSET participant file electronically in ECMS for a minimum of five years.

The WFD Team will complete a monthly fiscal review to include an analysis of the participant reimbursement expenditures. The purpose of obtaining this information is so that FIA can accurately track spending based on the limited availability of State general funds as the 50% match.

FIA will provide any technical assistance and/or training regarding the participant reimbursement process as well as assist in resolving any errors or issues that may occur. LDSSs can request additional assistance by contacting those listed in the “Inquiries” section below.

### **INQUIRIES**

Please submit inquiries concerning participant reimbursements to Sean Washington at 410-767-8822 or [sean.washington@maryland.gov](mailto:sean.washington@maryland.gov) or to Erica Kea-Muhammad at 410-767-7232 or [erica.kea-muhammad@maryland.gov](mailto:erica.kea-muhammad@maryland.gov).

## Attachment 1

### Participant Reimbursement Chart

Item	Yes	Never	Notes
Automobile Insurance		X	
Automobile Ownership/Operator Taxes (tag, title)		X	
Automobile Purchase		X	
Books	X		Participants may receive assistance with textbooks, training materials, and other reasonable and necessary school supplies for training.
Clothing	X		Programs may provide the clothing directly to the participant and submit the cost for reimbursement with invoice. Verification of the cost of the clothing and a justification explaining the need for the clothing must be provided.
Course Registration Fees	X		Participants may receive assistance with tuition, lab fees, and other education related costs necessary for training connected to a FSET activity.
Child Care Expenses	X		If a participant is ineligible for child care through Child Care Subsidy Program (CCSP), but performs approved FSET activities, child care services may be approved for the participant through a third-party partner.
Drug/Alcohol Counseling or Therapy		X	
Drug Tests	X		Only if required for a job.
Fingerprinting	X		Only if required for a job.

<b>Food Staples and Groceries</b>		<b>X</b>	
<b>Legal Services</b>	<b>X</b>		
<b>Living Stipends</b>		<b>X</b>	
<b>Loan Payments</b>		<b>X</b>	FSET funds cannot be used to help participants pay outstanding debts, mortgages, or other repayment of loans, including: Previous student loans; Past due fees; and Penalties or fines.
<b>Medical Services</b>	<b>X</b>		Usually unnecessary due to exemption status, but allowable if required for a job (i.e. TB test).
<b>Mental Health Treatment</b>		<b>X</b>	
<b>Permits and Fees (union dues, test fees, Licensing and bonding fees, background checks)</b>	<b>X</b>		Participants may receive assistance with the cost of testing and/or securing permits needed for training or to support job search activities.
<b>Personal Computers</b>		<b>X</b>	
<b>Personal Hygiene</b>	<b>X</b>		Participants may receive assistance with personal hygiene products and services (e.g. toothpaste, shampoo, body soap, haircuts, etc.) necessary to meet program or potential employer's appearance standards.
<b>Reasonable Accommodation Supplies</b>	<b>X</b>		Participants with disabilities may receive assistance with reasonable and necessary purchases of goods or services (including testing) that accommodate the individual's disability.
<b>Relocation Expenses</b>		<b>X</b>	
<b>Student Activity Fees</b>	<b>X</b>		Only if required to participate in class.
<b>Training Materials</b>	<b>X</b>		
<b>Transportation Expenses</b>	<b>X</b>		Transportation assistance may



<b>(public transportation fare, gasoline, automobile repairs)</b>			include: Transit tickets or passes; Necessary/non-maintenance vehicle repairs for a reasonable amount; or Fuel for participants.
<b>Work and Training Tools (equipment, tools, safety clothing, uniforms)</b>	<b>X</b>		Must be necessary to complete E&T training session/educational coursework

## Attachment 2

### Individual Participant Reimbursement Spreadsheet

<b>FSET Participant Name</b>	<b>Client ID</b>	<b>Active FSET-Only Participant</b>	<b>Type of Participant Reimbursement</b>	<b>Amount</b>	<b>Justification/Notes</b>	<b>Date of Issuance</b>	<b>PCA Code</b>	<b>Vendor # If Bulk Purchase</b>
Edward Snap	123456789	Yes	Transportation	\$25.00	Attending FSET Program	8/16/2016	GB190	98765D

### Bulk Participant Reimbursement Spreadsheet

<b>Vendor Name</b>	<b>Vendor #</b>	<b>Type of Participant Reimbursement</b>	<b>Amount</b>	<b>Justification/Notes</b>	<b>Date of Issuance</b>	<b>PCA Code</b>
ABC Bus Co.	98765D	Transportation	\$700.00	Purchase bus passes for FSET Program	8/1/2016	GB190